



Town of Hilton Head Island
**FINANCE AND ADMINISTRATIVE COMMITTEE
MEETING**
Tuesday, March 12, 2024, 10:00 AM
Minutes

Call to Order

Chair Brown called the meeting to order at 10:00 a.m.

Committee Members present: Alex Brown, Chair, Ward 1; Steve Alfred, Ward 5; David Ames, Ward 3; Tamara Becker, Alternate, Ward 4

Committee Members absent: Glenn Stanford, Ward 6

Adoption of the Agenda

Mr. Ames moved to approve. Mr. Alfred seconded. Motion carried 4-0.

Approval of the Minutes

Regular Meeting Minutes of February 13, 2024

Mr. Ames moved to approve. Mr. Alfred seconded. Motion carried 4-0.

Appearance by Citizens

None.

New Business

Consideration of a Resolution to Authorize Submittal of the Community Development Block Grant Entitlement Program Annual Action Plan for Program Year 2024 to the U.S. Department of Housing and Urban Development - Marcy Benson, Senior Grants Administrator

Ms. Benson conducted a presentation. She explained in order to meet the HUD requirements public input must be solicited during the Annual Action Plan development process. From January 3 through January 27, 2024, a CDBG survey was posted on the Open Town Hall portal requesting input and comments from the public for funding needs and priorities. A public meeting was conducted on January 10, 2024. Three comments were submitted via the Open Town Hall portal, and no comments were submitted at the public meeting. Open Town Hall commenters ranked housing activities and other real property improvements as tied for the highest priority followed by public improvements receiving the second highest ranking. Public facilities ranked third and public services ranked last. Project

suggestions from commenters included: drainage maintenance and improvements across all major and minor arterial roads in Native Island neighborhoods, park investments in all Native Island neighborhoods, acquisition of land and development rights in Native Island neighborhoods, annual investments to preserve and improve quality of life in the historic Native neighborhoods, affordable workforce housing, support of the CCDC, and enforcement of existing housing codes.

The CDBG Five Year Consolidated Plan (2020 – 2024) was approved by HUD in July 2020 and amended in October 2020, January 2021, and August 2022. The Five-Year Consolidated Plan describes the planned uses for HUD allocated CDBG funds. Attached is a copy of the five-year project table from the most current Town of Hilton Head Island HUD approved Five Year Consolidated Plan. In program year one, based on HUD allowances due to the Covid-19 pandemic, all Town 2020 CDBG funds were allocated to public services and program administration. Five percent of the 2020 CDBG allocation was expended on program administration (\$41,262) and 95% (\$831,674) was distributed to public service organizations servicing low- and moderate-income residents, within the Town, to assist with response and recovery efforts to the COVID-19 pandemic. In program year two the Patterson Park project was selected for funding with 2021 CDBG funds. In program year three the Taylor Family Neighborhood Park project was selected for funding with 2022 CDBG funds. In program year four the Fords Shell Ring Park project was selected for funding with 2023 CDBG funds. In program year five, the project category included flexibility to select a project for the 2024 Annual Action Plan that could address public facilities & improvements, or housing activities, or economic development, or public services to benefit low-and-moderate income residents.

Based on CDBG program caps, the maximum amount allowed for public services is 15% of the 2024 CDBG allocation and the maximum amount allowed for program administration costs is 20% of the 2024 CDBG allocation. In past years the administrative costs have accounted for between 2% and 5% of the total CDBG allocation. If administrative costs are less than the allowed 20% cap and public services less than the allowed 15% cap this would allow for the majority of CDBG funds to be used for the Patterson Park project.

The draft 2024 Annual Action Plan details \$2,500 of the 2024 CDBG funds, to be used for program administration and the remaining 2024 funds to be used for the Patterson Park project. This park project is being recommended because the HUD-required environmental review has been completed for this project. With the environmental review complete this lets expenditures begin promptly upon executing the 2024 CDBG grant agreement allowing for compliance with timeliness requirements.

In order to meet the May 17, 2024, HUD submittal deadline, the draft 2024 Annual Action Plan was released for the required 30-day public comment period on February 14, 2024, and the comment period will close on March 15, 2024. Public comments received by the end of the comment period will be included in the final plan. Approval of the final 2024 Annual Action Plan by resolution is scheduled for the April 2, 2024, Town Council meeting.

Recommendation of the resolution to authorize the submittal of the Town's 2024 CDBG Annual Action Plan to HUD will allow the 2024 funding allocation to be used for the

Patterson Park project. As of the writing of this memo HUD has not yet announced the 2024 CDBG funding allocation. However, the draft of the 2024 Annual Action Plan expresses the use of funds based on the 2023 CDBG allocation and includes language stating the funding allocation figures will be updated in accordance with the HUD allocation announcement when the final plan appears before Town Council for authorization to submit the plan to HUD.

Recommendation of the Patterson Park project is consistent with the current Five-Year Consolidated Plan, as well as several Our Plan goals, strategies, and tactics including Connected – Strategy 4.5 and Tactic 4.5.1; Inclusive – Goal 8 and Strategy 8.5; Priority Investment – Strategy 4.5; and Parks & Recreation – Goal 2, and Strategy 7.2. The CDBG program has been identified in the Our Plan Capital Improvement Program (CIP) section as a funding source for Town CIP projects.

Members of the Committee thanked Ms. Benson for her work regarding the Community Development Block Grant Entitlement Program Annual Action Plan. Chair Brown asked for public comment. There was none.

Mr. Ames moved to approve. Ms. Becker seconded. Motion carried 4-0.

Consideration of Award Recommendations for the Fiscal Year 2024-2025 Affiliated Agency Budget Requests - Jeff Herriman, Interim Finance Director

Mr. Herriman conducted a presentation noting Town Council voted on August 19, 2021, to establish a process and policy to accept and consider Affiliated Agency applications. Initial correspondence was sent to all current Town Affiliates on December 14, 2023, to inform them of the application opening date, January 2, 2024. In addition, the Town issued a press release on January 10, 2024, informing the public of this opportunity as well. The due date for all applications to be submitted in their entirety was on or before January 31, 2024, at 4:30 pm.

For reference, an Affiliated Agency is defined as an integral partner contracted by the Town to deliver services that benefit the public on the Town's behalf. The funding review process is conducted with a commitment to transparency and accountability, and is guided by the following criteria to assess the public purpose served by each project:

- Clear Public Goal or Benefit: Evaluation of the presence of a distinct goal or benefit to the public resulting from the proposed project.
- Primary Beneficiary: Assessment of the extent to which public or private parties will be primary beneficiaries of the project.
- Speculation Level: Consideration of the level of speculation inherent in the project to determine its feasibility and potential impact.

- Probability of Public Interest: Evaluation of the overall probability that the public interest will be served, and the degree to which it will be served.

As part of the Fiscal Year 2025 Affiliated Agency Application process, the Town has received eleven applications for the Finance & Administrative Committee to review. A funding request is also included pursuant to the MOU that was recently approved by the Town Council for the USCB Center for Lowcountry Hospitality Education. The MOU provides a two-year agreement for funding in the amount of \$235,000 for Fiscal Year 2025 and is subject to an inflation factor of three percent (3%) for Fiscal Year 2026.

A summary of all Affiliated Agency funding requests that were received for Fiscal Year 2025 are as follows:

Town of Hilton Head Island					
Affiliated Agency Funding Requests FY 2024 and FY 2025					
	FY 2024		FY 2025		
	Applicant Request	Adopted Budget	Applicant Request	F & A Recommendation	Adopted Budget
Hilton Head Island Recreation Association	\$ 1,123,766	\$ 1,123,766	\$ 1,167,366		
Coastal Discovery Museum	\$ 102,432	\$ 102,432	\$ 107,700		
Mitchelville Preservation Project	\$ 105,000	\$ 105,000	\$ 105,000		
USCB Event Management & Hospitality Training	\$ 238,985	\$ 238,985	\$ 235,000		
LRTA - Palmetto Breeze	\$ 249,911	\$ 277,842	\$ 253,595		
14th Circuit Solicitor - Multidisciplinary Court	\$ 50,000	\$ 50,000	\$ 50,000		
14th Circuit Solicitor - Career Criminal Program	\$ 118,500	\$ 118,500	\$ 118,500		
Beaufort County Economic Development Corporation	\$ 40,000	\$ 40,000	\$ 40,000		
Hilton Head Regional Habitat for Humanity	\$ 500,000		\$ -		
Beaufort Jasper Economic Opportunity Commission			\$ 100,000		
BlacQuity			\$ 75,000		
Memory Matters			\$ 50,000		
Sea Turtle Patrol Hilton Head Island		\$ -	\$ 73,480		
Total	\$ 2,528,594	\$ 2,056,525	\$ 2,375,641	\$ -	\$ -

To support this effort, and to assist in the preliminary development of the Town's Fiscal Year 2025 budget, staff have prepared an initial assessment of the anticipated revenues for the next fiscal year. Based upon this information, staff believes that revenues for the next year will remain flat at the previous Fiscal Year 2024 budgeted levels. Because of this, any additional funding that may be recommended by the Finance and Administrative Committee will have a corresponding impact on the Fiscal Year 2025 budget development.

The Finance and Administrative Committee is requested to review and recommend funding levels for Fiscal Year 2025 Affiliated Agency Applications. These recommendations will be included in the Fiscal Year 2025 budget proposal that will be considered by the Town Council on May 7, 2024.

Applicants provided presentations regarding their requests and Council members made

During the presentations, it was the consensus of the Committee to postpone any decision or recommendations regarding Memory Matters as there was no one present from the organization to present or answer questions. The Committee also suggested that Blacquity would be better served by going through the Gullah Geechee Historic Neighborhoods CDC for their funding request. In addition, the Committee agreed there was not sufficient information to support funding the Beaufort Jasper Economic Opportunity Commission request. It was also suggested staff and representatives of the Sea Turtle Patrol review the possibility of a Memorandum of Understanding agreement going forward.

Town of Hilton Head Island			
Affiliated Agency Funding Requests FY 2024 and FY 2025			
		FY 2025	
		Applicant Request	F & A Recommendation
Hilton Head Island Recreation Association	\$	1,167,366	\$ 1,167,366
Coastal Discovery Museum	\$	107,700	\$ 107,700
Mitchelville Preservation Project	\$	105,000	\$ 105,000
USCB Event Management & Hospitality Training	\$	235,000	\$ 235,000
LRTA - Palmetto Breeze	\$	253,595	\$ 253,595
14th Circuit Solicitor - Multidisciplinary Court	\$	50,000	\$ 50,000
14th Circuit Solicitor - Career Criminal Program	\$	118,500	\$ 118,500
Beaufort County Economic Development Corporation	\$	40,000	\$ 40,000
Hilton Head Regional Habitat for Humanity	\$	-	
Beaufort Jasper Economic Opportunity Commission	\$	100,000	\$ -
BlacQuity	\$	75,000	\$ -
Memory Matters	\$	50,000	\$ -
Sea Turtle Patrol Hilton Head Island	\$	73,480	\$ 73,480
Total	\$	2,375,641	\$ 2,150,641
		* Seek additional State/County funding	

Adjournment

Approved: April 9, 2024

The recording of this Meeting can be found on the Town's website at www.hiltonheadislandsc.gov